

# ARMY EMERGENCY RELIEF

"Helping The Army Take Care of its Own"



Scholarships

Widows

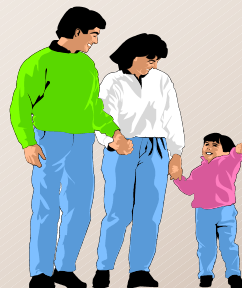


Deployments



Funerals

Soldiers



Families



# WHAT AER IS ABOUT

**Meeting EMERGENCY FINANCIAL Need**

*Unforeseen and urgent -Death of family member,  
Illness - Natural Disaster - POV repairs -IRD -No Pay*

## WHAT AER IS NOT ABOUT

**We are not a social service agency**

**AER Funds are not an Entitlement**

**NOT a solution to “All Financial Problems”**



# WHO DOES AER HELP?

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- **Active duty** soldiers, single or married, and their eligible family members.
- **ARNG** and **USAR** soldiers on **active duty** for more than 30 consecutive days and their eligible family members.
- Soldiers **retired** from active duty for longevity or physical disability, and their eligible family members.
- **ARNG** and **USAR** soldiers who **retired** at age 60, and their eligible family members.
- **Surviving spouses** and orphans of soldiers who died while on active duty or after they retired.



# **CATEGORIES OF AUTHORIZED ASSISTANCE**

- **Non receipt of Pay**
- **Loss of Funds**
- **Medical, Dental,  
and Hospital  
expenses**
- **Funeral Expenses**
- **Emergency Travel**
- **Rent**
- **Food**
- **Essential POV**
- **Utilities**
- **Clothing**
- **Fire or other  
Disasters**
- **Privation**





# **CATEGORIES OF UNAUTHORIZED ASSISTANCE**

**Divorces**

**Marriages**

**Education Expenses**

**Rental, lease or  
purchase of POV**

**Travel of Non-  
command sponsored  
Dependents**

**Ordinary Leave**

**Continuing  
Assistance**

**ABORTION**

- **Liquidation or consolidation of debts**
- **Business Ventures or Investments**
- **Bad Checks**
- **Civilian court fees, fines, judgments, liens, bail, legal fees, or income tax**
- **Goods or items for convenience, comfort, or luxury**
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# LOAN VS GRANT CONSIDERATIONS

- Historically, approximately 94% of assistance is in form of Loans
- Grants should be considered only when inability to repay exist
  - Grants are not provided simply because soldier has a monthly deficit
  - Look at how they got there - Irresponsible, living beyond their means?
  - Grants for soldiers who have been financially irresponsible often reward this type of behavior while penalizing soldiers who are repaying their loan
- Grants are not given for expenses which will be reimbursed by Insurance/Government





# FROM WHERE DOES AER GET ITS FUNDS?

- Voluntary contributions from active and retired soldiers **(14.2%)**

*Campaign- Name awareness – Tax Exempt Status – Obtain funds*

- Repayment of AER interest- free loans **(65.1%)**
- Investment income **(20.3%)**
- Unsolicited contributions **(0.4%)**

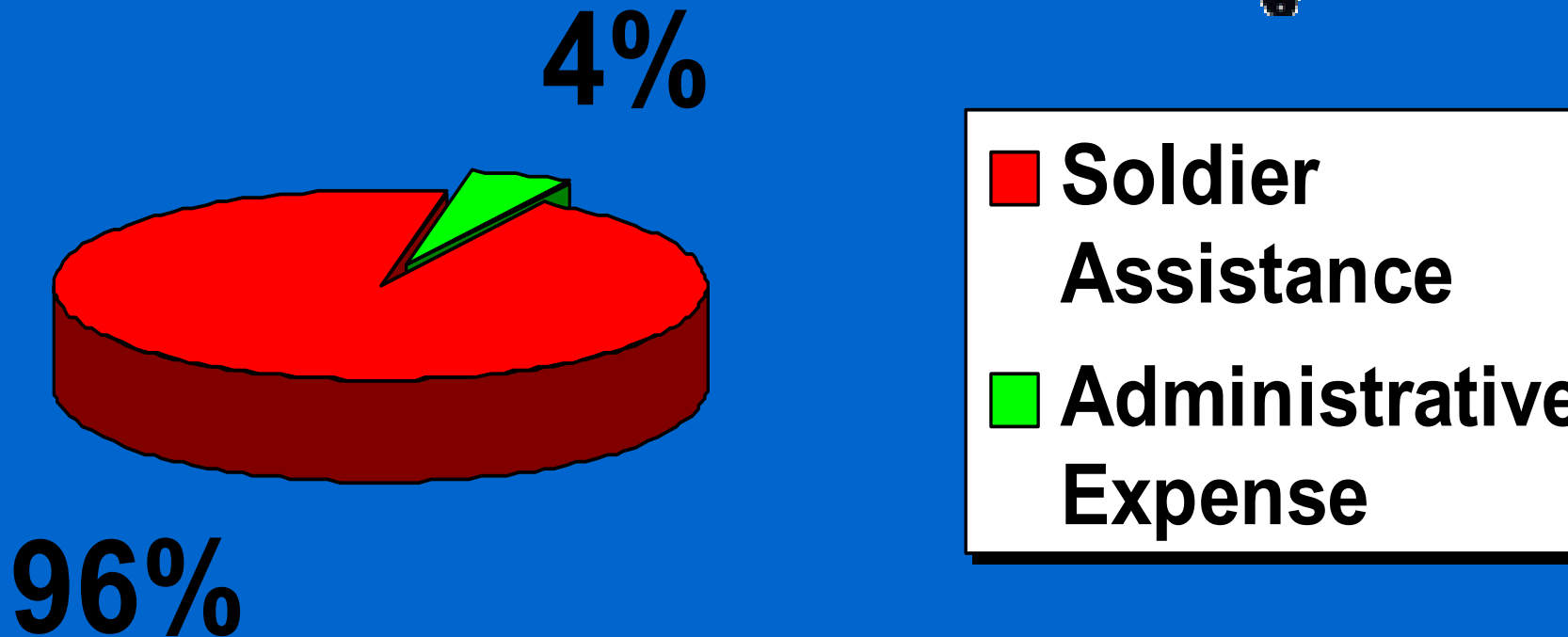
*Atlantik-Bruecke (\$279k), Pentagon Victims Fund*

5.8M - Contributed

505K - Assisted

4.9M – Committed Future Ed

# WHERE DOES MY CONTRIBUTION GO?



\$0.96 OF EACH DOLLAR GOES TO SOLDIER ASSISTANCE  
ONLY \$0.04 IS USED FOR ADMINISTRATIVE EXPENSES





# WHY WE NEED A CAMPAIGN

Campaign keeps awareness level of AER high.

Reinforces who we are and what we do for soldiers.

Campaign provides the public support necessary for AER to be a tax exempt charity. (IRS requires minimum of 33% of income from contributions.)

Without a campaign, AER reserve funds would be jeopardized.

# NEED IS GREATER THAN EVER!

(62 Years of Assist)

**AER Asst since 1942 = \$870M (2.9M Soldiers)**

<u>Category</u>	<u>First 51 Years(1942-1992)</u>	<u>Last 11 years(1993-2003)</u>
Assistance	\$485 Million 2.3 Million Soldiers	\$385 Million (44%) 601,178 Soldiers( 21%)





# WHY HAVE RESERVES?

## AND HOW ARE THEY USED

- ***RESERVES are what keeps AER healthy as AER gives out more in grants/scholarship/writeoffs (7M) that it receives in campaign contributions (6.3M )***
- **All commanders have unlimited access for solving soldiers' problems.**
- **Immediate availability of funds in support of mobilization (Desert Storm - 1990-91)**
- **Guarantee against catastrophic need. (e.g. "Payless" payday - 1995)**
- **Cushion for "hidden demand" caused by rising inflation. (e.g. 1978-1981)**
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# Funeral Expenses for Dependents of Active Duty Members



Previously AER provided Up to \$2500 grant when death of Spouse, Child, or Dependent Parent

Nov 2001 SGLI extend to spouse and children

AER will no longer provide grants but "Bridge loans"

AER Will cont to provide grants for death of dependent parent or stillborns

Travel cost associated with the death of a dependent

- When soldier is not able to come into AER section



# **SCHOLARSHIPS-WIDOWS & ORPHANS**

## **(An Inherited Responsibility from ARS)**

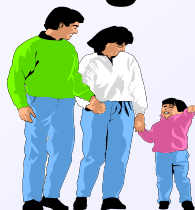
- Founded in 1900 to provide relief for soldiers' widows and orphans.
- In **1976**, AER received **\$3.5M** from ARS when merged.
- This money was incorporated into the AER investment portfolio pool and grew to **\$53.2M** by **December 2003**.
- During this same period, AER dispersed:
  - Assistance to widows and orphans: **\$26.7 M**
  - Dependents children's scholarships: **\$19.8 M**
  - Last Years scholarships (**\$2.8M**)
    - 28% Active (60% Enl) 69% Ret (75%Enl)
    - 3% Deceased (71% Enl)





# **SPOUSE EDUCATION**

- **Pilot program for USAREUR, approved by Board of Managers in Nov 1996**
- **Spouse residing with Active Duty soldier in Europe.**
- **Financial grant based on NEED; for undergraduate study only.**
- **GED & ESL courses OK if not command funded.**
- **CY 2003= 1486 Spouse/\$769K**
- **No Longer “Pilot” Program - Expanded to Korea, Japan & Okinawa**



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*To date 70% of assistance given has been to spouses of SSG and Below (86% all Enlisted).*